

**Submission
No 53**

**IMPACTS OF THE WATER AMENDMENT (RESTORING OUR RIVERS) ACT
2023 ON NSW REGIONAL COMMUNITIES**

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TO the LEGISLATIVE ASSEMBLY Committee on Investment, Industry and Regional Development

SUBMISSION re

Inquiry into the impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW regional communities

Thank you for the opportunity to make a submission to this most important Inquiry.

Foreword

Re the Terms of Reference (tor) a) to g). I found the tor somewhat both explicit and restrictive in that the scope of the Inquiry, important as it is, does not seek to engage in how we have come to the (precarious) situation today in Australia, and particularly in NSW, with our use and management of water – possibly our most valuable, most life sustaining and scarcest of resources (given our regular weather pattern of dry times).

I suggest it is important to know how we got to where we are if we are to chart a successful future course.

That said, successive Australian and State governments have mismanaged our water resources for decades. The situation became much worse post 2000, turn of the century.

It has been said that the three biggest government policy failures in Australia have been the post war soldier settlement schemes, the wool reserve price scheme and the Murray Darling Basin Authority - the latter is a work in progress that must be addressed successfully or, the damage to people, communities and a productive Australia will be much worse I suggest, than when myriads of soldier settlers were forced to walk off their blocks decades ago or when taxpayer funds could no longer prop up wool's reserve price and the scheme was abandoned by government.

Do any Inquiry members have any knowledge of the devastation involved in either of the above, because that is what is being faced in irrigation areas in Australia now, as more and more productive irrigation water transfers to environmental and urban water?

In making this submission it is acknowledged that we cannot turn the clock back but, there are many government policy corrections to be made if our future use of our scarcest resource is to be useful to Australia, to people directly affected and, **ultimately to the wider population.**

The latter warrants serious and immediate consideration. There are two key aspects worth noting, right up front:

- The taking of farmers' water by governments (water nationalisation!) through various mechanisms, including the MDBP, implies a very substantial cost to

government each year, if governments are to continue paying the annual charges foisted on water title holders (private and government) currently. The sustainability of that cost to taxpayers is as questionable as was the non-sustainability of the wool reserve price scheme. Government spending on environmental water and fresh water sent out to sea, will not be looked upon favourably (even in inner city urban areas) when public sector spending is constrained on hospitals, schools, law enforcement etc.

- It is not too much of a stretch to link Australia's desperately low buying power internationally, with Australia's relative lack of production, lack of productivity and lack of productive investment. Currency markets recognise when a country is not performing and when it is squandering its resources, as we, in Australia, are doing with our water resources today. Taking water from productive water users ie irrigators, is very much part of that malaise. The Australian dollar (AUD) is at its lowest level ever, in modern times. Australian businesses (in agriculture for example) that must use imported machinery, know this, they know too, how it increases their costs of production beyond that of competitor businesses overseas. But Australians everywhere, suffer also – Australian visitors to the likes of Europe and north America complain unanimously at how little their AUD buys.

Government policy makers must take these wider considerations into account.

Inquiry members should bear in mind also, that it is only through the success of industry and (irrigated) agriculture that government spending largesse on social issues is possible.

It follows from the above that my submission to this Inquiry digresses from time to time as I attempt to address a wider scope of interest than the specific tor.

Also, while I comment on the specific tor points a) to g) as part of my submission, I don't propose to address each of the tor separately, rather to address them as part of the totality of the water/ irrigation situation. **To a degree tor b) to f) are essentially dealing with issues (symptoms almost) that would not have arisen if it weren't for the failure of government water policy in the beginning, by taking water from productive agriculture, rather than focusing on building additional water supply and storage to cater for growing non-agricultural and political demands, essentially urban and environmental.**

I trust the above approach will be acceptable to members of the Inquiry.

The social, economic and environmental impact of repealing limits to the cap on Commonwealth water purchases.

A former Deputy Mayor of a Council area directly impacted by the loss of irrigation water has said: "The MDBA is a Plan that delivers misery and heartache ..." "I would like to see the Plan ripped up it is not serving our communities or our environment." Suicide,

mental health, financial ruin, environmental carnage ... I could go on ..." "A country not ravaged by war or famine just a constant bureaucratic bungling that has decimated our once rich and prosperous country."

The above summarises the views of (many) people in Murray Darling Basin irrigation areas. **Without the 'cap,' the MDBP water take by the Federal Government, has injected even more fear and loathing in rural communities for the MDBP, and what may lie ahead.**

According to the Commonwealth of Australia 2015, in 2012-13 irrigated agriculture accounted for 28% of the gross value of agricultural production (at wholesale/farmgate values) but irrigated agriculture used less than one percent of Australia's agricultural land. That should tell everyone how valuable irrigated agriculture is to Australia.

Policy and decision makers, invariably from cities and higher rainfall areas in Australia, would not seem to know this. And if they did, would they care? Would they amend government policies accordingly? And if they would not, why are we yet again, being asked to make another submission?

At the (critical) farm level ...

Much of the political and bureaucratic bungling is seen as an outrage, and enormously disrespectful to the men and women who put their lives (blood, sweat and tears!) into establishing our irrigation industry in the Murray Darling Basin – their achievements were said to be the envy of the world in the 1950s and 60s.

To put the current situation in context it is helpful to remind Inquiry members of some history. Because it is often the children and grandchildren, (the successors of those early nation building pioneer men and women) who are today, dealing with/withstanding the worst of, the social and economic effects of seeing their forefathers' efforts debased and dismantled. Many recall the hardships as children, as their parents worked, saved, and generally struggled to build an irrigation industry for a better future, particularly through the droughts (and floods) that regularly impacted inland Australia.

There was a bad drought in our area near the Murray River in the early 1940s. So bad that people were walking off the land. It was a time however, after the end of World War 2, when there was hope and determination for progress. The Torrumbarry Weir had been built in the Murray in the 1920s (prior to that the Murray often became a mere trickle in summer and people were able to walk across it between NSW and Victoria), the Hume Weir in 1937 and the Yarrawonga Weir in 1939.

The weirs enabled river levels to be managed so that water was both more accessible and more navigable through the seasons. At the same time, technology had developed to the point where pumps and motors were able to draw water up 10 metres or more to

the top of a riverbank. Landholders often banded together to build irrigation works, incurring all the costs to enable a secure water supply. In today's parlance they would be categorised as private diverters and private diversion schemes.

In our case at home four neighbours joined together in 1945 and built an irrigation system, a scheme in effect, to serve their properties. A single piston Ronaldson & Tippet diesel engine was installed on a huge concrete block at the top of the bank with belts extending down the bank driving a 10-inch (Colonial, replaced years later by a Kelly & Lewis) pump set not far above the water line (at summer, autumn level). The installation was conducted by Freeman Bros, they were ships engineers with a foundry in Echuca, Victoria, who had years of experience working with paddle steamers on the Murray River.

The water pumped up from the river gravitated away from the top of the bank along a channel (running north) built on a strip of land owned by the scheme members. The channel water was then piped under the main road into a small distribution pool on our property. Each of the four people were responsible for their stops at the edge of the distribution pool and for any channel and other works (including roadworks) after that – water went from the pool along channels to the east, west and further north. The system which became a joint water supply syndicate worked well for many years, albeit it required regular maintenance.

The above is a very bland outline of what was an enormous physical manual exercise because bullock wagons and horse teams were the means of transport and only manually operated rudimentary cranes were available to get huge heavy machinery in place. The flywheel on the diesel engine was some 3 metres in diameter and took 3 or 4 men to stand on the giant spokes to get it to commence moving while the diesel motor got going. The torque from the flywheel was vital because if the motor misfired (as it sometimes did) then it would pick up again on the next revolution. I recall not long after its installation the motor's timing was not quite right and the piston hit and cracked the end of the block, big job then to brass up the crack in the block but, the engine kept going until electricity came through this area in 1956 and conversion to an electric motor took place. Then there were the channels and road crossings that had to be built with horse teams and ploughs, scoops and delvers. I remember the farmers had to feed the big draft horses, they would lean on the fences (the grass was always greener on the other side) and in the end the fences often had to be rebuilt.

I will not go on, words do not/cannot, describe very well the effort, the cost and the risk that went into the early establishment of irrigation works along the Murray. The establishment of irrigation works became easier late in the 1950s and 1960s with bulldozers and graders taking over from horse teams and with electricity becoming available in many places (at significant cost of course). The Weaning Point Joint Water

Supply Scheme, the Cadell Constructions Scheme and the West Cadell Irrigation Trust were established by landholders in this area at that time.

An important aspect here that should be mentioned is the support and encouragement from government at all levels to the farmers putting in the effort to establish irrigation for a productive future and to beat all too often droughts. I recall in the early days when our pump was going, water leaked out on the road, people cheered. Today we would probably be prosecuted. Culture has changed and not for the better.

For several decades post-World War 2, certainly in the 1940s, 50s and 60s, there was a **shared sense of purpose** shown by everyone towards the development of drought mitigation and irrigation. Government and communities worked as one, it was like as if a common goal had been enunciated from on high that irrigation was the way ahead. Farmers, contractors, NSW Water Resources personnel, whole communities put their 'shoulder to the wheel'.

This shared sense of purpose and widespread spirit for irrigation development was evident at the time; things that stood out included.

- The development of government schemes which opened up large tracts of land for irrigation. I recall in the 1960s the development of the Deni-boota extension at the western end of the Murray Irrigation Area Scheme that was supplied from the Mulwala canal built to run into relatively arid areas of NSW from the Murray River near Yarrawonga, Victoria. Communities, towns, agricultural production and processing blossomed from these government initiatives. Naysayers were not evident.
- The Snowy Hydro development.
- The granting of additional licensed entitlements on a 'history of use' basis by the NSW Water Resources Commission in the late 1960s, whereby if an irrigator could show that they had used, and therefore had a need, for more water than their entitlement at the time, then their entitlements could be, and were, increased. Interestingly, joint water supply schemes at the time where maybe each member had originally been granted 200- or 400-acre feet (depending on the acreage they farmed), suddenly some members could have very different entitlements on the scheme depending on their individual history of use. That was generally accepted however, it affected the voting rights on schemes where votes were based on the number of acre feet members were entitled with. Later, there was even more of an impact on joint water supply scheme arrangements when under the new legislation around the turn of the century, all of a sudden holders of a majority of megalitres (converted at decimalisation from acre feet) were able to transfer (and sell) their water off the scheme – some members (and their solicitors) took advantage of this fundamental change. It was very

disruptive for joint water supplies where scheme secretaries and continuing members were not informed, including by the responsible Department, of the changes. This is but one example of how the cumulative effects of ongoing, not well thought out and poorly communicated/consulted government changes in water policy can become so damaging to irrigators whose livelihoods depend on good governance.

Suffice to say that those of us who lived and breathed the above as children find it very difficult to see the state of affairs today. The disregard and political disdain for the effort to get where we are with a productive and efficient irrigation industry along the Murray River is disheartening and socially unacceptable.

It is important to mention here that compounding the above and following legislative changes separating water from land, there were other (unintended?) consequences. Giving holders of water rights, water access licences and titles to water as if they were titles to land was a fundamental change and not all for the good. It is seen by many as a 'con' job in that you often do not get/have, all the water on your title, you are shortchanged in effect, because,

- in most years for general security title holders, allocations are less than titled entitlements (and in some years there has been ZERO allocations) even though irrigators still must pay for their total entitlement
- in most years allocations are set after shaving off water for the environment, again irrigators must pay for their total entitlement and, notwithstanding government now has their own environmental water, why do they need ours? Either there should be no shaving off of irrigators' water or, irrigators should not have to pay for the shaved off portion.
- in recent times particularly, water authorities have lost interest in irrigators needs at peak seasonal irrigation times. It was notable in autumn 2023 that the MDBA and Water NSW seemed to virtually stop the Murray flowing (below Yarrawonga Weir). Note here that NSW was at that time supplying water to South Australia from the Darling - so no need to send water down the Murray, no thought for the entitled, paid up irrigators with loads of allocation water along the way who needed water for livestock and to start autumn pastures and/or to save pastures already started from an earlier irrigation maybe a week or two earlier when there had been water available. The result was that private diverters downstream were unable to access water unless they could extend suction heads further out into the Murray and its tributaries (at their cost). And this was at a time when the main Murray River storages for NSW irrigators, Hume and Dartmouth, were near full. The situation was made much worse when an MDBA spokesperson said they could not hold more water up (for a time) at downstream weirs like Torrumbarry because raising the height of the river would

waste water! When queried, the response was that higher water levels expanded the surface area exposed to evaporation (even in cooler months). Irrigators were left dumbfounded; we'd obviously had the wrong idea about why weirs were built in the first place ie to store water for productive use! The disconnect between the water authorities and irrigators could not be worse.

- inquiries about an environmental release to ease the plight of irrigators were unsuccessful – it involved MDBA, Water NSW, the NSW Department, the State and Commonwealth water holders and others, agreeing to an (unscheduled) release. It was one more demonstration that there are too many authorities involved in the management of the Murray River and too much say by unelected officials in the livelihood/destiny of private enterprise irrigation farms.
- of the extortionist price gouging rises proposed to be paid by irrigators in government water charges, largely it seems to cover government over-reach and inefficiencies, 'make work' exercises in bureaucracy, environmental water improvement costs, compliance etc, little if any of which is to do with irrigators going about their licensed business. Why is it always industry and (irrigated) agriculture that must make the efficiency gains to cover never ending increases in government fees and charges?
- of the fear now apparent that the future for irrigation is no more or, limited at best, that water will be priced beyond the reach of irrigators, particularly irrigators producing staple foods, dairy, meat, rice and other grains. The fear is that government is intent on taking our water and if irrigators won't sell them enough then they will get it by stopping supply or pricing us out. Precedents for this fear are now emerging eg Coliban Water's efforts to stop irrigation near Bendigo in Victoria and (as mentioned above) the current Water NSW/ government requests to IPART for 'over the top' increases in water prices to NSW irrigators. Contrast the Australian situation with that in New Zealand where irrigation water is free to farmers!
- of concerns about an as yet unspecified government intention that environmental water is to be re-classified to a higher category with (allocation) priority above irrigation water, especially general security water in NSW.

So, a title to water although often likened to a title to landed property, is in fact very unlike a title to a house property, for example. A title to water is akin to a title to a house BUT where you only have use of possibly half the rooms. (This is likely to be the case where the comparison is with NSW general security water with an average annual allocation over many years of possibly 50%).

In addition to the above and consequent also on the legislative changes, other significant and often demoralising change occurred in regulation and infrastructure arrangements at farm level.

(Inquiry members should note here that farms in irrigation areas may be relatively small holdings and to some extent the result of the living area concept which applied when land was opened up for selection in the 1800s and again in the 1900s - land was allocated based on the area needed to make a living by a man with a horse team – small holdings often remain commercial because of irrigation enabling commercial production levels. Dr Roy Powell of New England University (ex-Melbourne University) was an authority on living areas and followed the changes/increases in the area needed to make a living (measured in dry sheep equivalents (DSEs) as farms consolidated and became bigger) to survive in the face of the well-known, decades long, cost-price squeeze in agriculture. Textbook management of the cost-price squeeze requires farms to produce more. Without water how do irrigation farms produce more (notwithstanding constant attention to efficiency gains)? Living area/family operated irrigation holdings, combined with the ongoing cost price squeeze, are important factors in irrigated agriculture's loathing for the MDBP and the removal of the cap – the MDBP and the cap's removal limit irrigated agriculture's ability to manage the cost price squeeze and remain viable.)

Observations at first hand of changes in NSW irrigation policy and management at the time included the following:

- For many private diverters whose original, **good neighbour pump and channel sharing arrangements** had morphed and formalised to a greater or lesser degree into joint water supply syndicates, water trusts, partnerships and private companies (all overseen and regulated to a degree in NSW by the Water Resources Commission), their infrastructure and governing arrangements were substantively disrupted. These arrangements had been drawn up by local solicitors who seemingly had little guidance in such water arrangements other than normal commercial law with many of the agreed arrangements quite different in construction as to entity, content and intent and none which could have contemplated the forthcoming legislative changes at State and Federal level decades later.
- Probably the biggest impact was felt by (general security) joint water supply schemes. Joint water supply schemes or syndicates were a very common form of entity developed by the (local) legal fraternity for good neighbour water infrastructure sharing arrangements. Under the new legislation (and internal departmental regulations) Scheme members were issued with individual water access licences (with a specified share of water, as distinct from previously having xxx acre feet subsequently megalitres of water accorded to the Scheme. The access licences were/are linked to specific works approval licences and to properties registered to be irrigated.
- However, under the new legislation, Scheme members became able to sell their water from their individual water access licences, sometimes unbeknown to

other Scheme members who only found out once that (majority holder) member no longer paid their Scheme fees. There was no obligation on the responsible government department to inform the Scheme (secretary) of the change! Unfortunately, this (often) put schemes, irrigator and stock and domestic members, at odds with the department and with each other. Departmental staff had previously known scheme secretaries and, had a good working relationship – they were always in my experience, an important guiding hand on scheme operations.

- With the legislative change came new people and a new way of Departmental operations, joint water supply schemes were no longer recognised, Water NSW commenced sending documentation to individual WAL holders and anything to do with the scheme started to go to the member first mentioned on the list of water access licence holders attached to a works approval licence. The department (pretty much) washed their hands of joint water supplies (except where a scheme held a (restricted transfer) stock and domestic licence on behalf of members.
- The situation was made worse if there were new members on schemes who had no previous experience with NSW water policy. At the time we had new members on two joint water supply schemes that we are involved with, one as its secretary. A huge issue was that the scheme could find its members were less and the sum of the Scheme members' water access entitlements were less, maybe a scheme's total megalitres could be down by half, on the scheme's previous entitlement – suddenly, the overhead costs associated with capital works, pumps, electricity systems, channels etc were as much as double per megalitre. This often left an irrigation scheme area as exhibiting a situation described as the “swiss cheese effect” where irrigation paddocks/farms were left scattered and non-contiguous (like holes in the cheese) so that an extensive channel network was still required. Exit fees or not, and fair-trading implications became issues for schemes. New (sometimes disruptive and essentially non-communicated) regulations appeared (and were able to be taken advantage of by those ‘in the know’ or who followed the internet) – it seems all manner of things became possible as regulations sought to adapt, and re-adapt, to the (unintended) consequences of legislative changes and shortcomings of initial internal regulations, zero WALs being one example (where WAL holders are able to transfer water on and off a scheme's zero WAL. Another major development was/is the advent of WALs held by effectively non landholders/water traders, including retired farmers who had sold their land but continued to hold their water entitlements, as well as publicly listed companies formed with the object of trading water. Metering issues and regulations, riparian/basic water right issues, listening tours by MDBA executive etc, all served to complicate matters and add to the melee.

- Properties can and are now sold with no water but with ongoing entitlement fees which new owners may be unaware of or not fully appreciate the implications thereof, or accept begrudgingly until costs bite hard and they refuse to pay – entitlements enable people without water to buy in water but, with buybacks and less irrigation water available, buying in water seems a less likely scenario (unless of course governments decide that the environment cannot use all the water purchased for it and, decides to sell environmental water back to farmers on a temporary, seasonal basis).
- There were other, extended consequences also. The separation of land from water resulted in banks reviewing their mortgage security arrangements, with separate mortgages now required over water as well as the land. This was all a hassle and costly for mortgagees affected. The NSW Valuer General also considered the separation of land and water and for a time land values were reduced, subsequently they were raised again once the Valuer General Department's concept of 'irrigability' was established. This disrupted rate setting in rural shires significantly, particularly in regard to the ad valorem rate in rural shires where the farming community generally (relatively small in number) pays a relatively high proportion of Council rates.
- Rounding all this up by continuing scheme members and secretaries became an enormous, costly and soul-destroying task – the social cost was heavy, and people resent the treatment handed out by government. Joint water supply schemes have had to regroup and reconstitute, some schemes are still dysfunctional and suffering with continuing members battling to hold schemes in place and operating effectively. For example, former members who have walked away from schemes and have no water and no access licence left on a scheme, are still able to be attached to scheme works approvals – the process for their removal is unclear and impossible to navigate if the people cannot be found or if they refuse to cooperate. Yet every few years when the Department requires the renewal of licences, they want a signature from these people! Why is it if an irrigator has permanent title to water with established headworks licences there is a need for renewal of approvals every few years?
- It seems names can be changed by the Department on scheme works approvals without scheme secretaries and other continuing members being informed or, being in agreement. Long-term continuing members may be exposed to new people with authority to use an approved works but with no authority from the scheme/other members to attach a water access licence to the scheme works approval, no authority to use the infrastructure and no obligation to share costs or to prove their financial bona fides to existing scheme members. The Department should clarify the process if former members or successors in title want to bring water back onto a scheme.

- With hindsight, it seems there was widespread confusion, responsible government water departments and agencies were thrown into a difficult situation and were not prepared for the implementation/operational issues following the legislative changes. New title documentation and regulations were mailed out to water holding entities and that was the extent of contact. Custodianship, good communication (along the irrigation water supply chain) and careful, balanced management of the irrigation industry and our scarce water resource became a casualty. There is much to be done to rebuild communication and trust.

Is there reason enough therefore, for irrigators to be disheartened? The removal of the cap is seen as the last straw in the battle to save irrigated agriculture from government policy abandonment. People feel the battle has been lost. Irrigation communities feel let down by the about face in government policy which many remember as supportive of irrigated agriculture but no longer. People lose faith in the ability of irrigation areas to sustain families and livelihoods. Shops close, schools lose pupils and then teachers, car and machinery dealerships, tyre repair outlets, banks, processing and service industries consolidate, move or close and so on. It is a familiar story the Inquiry will hear. Towns and communities that were near or had the prospect of reaching “critical mass” no longer have that dream.

At the national/state level ...

Viewed at a macro level the situation is disheartening also. The Australian people benefit from production, from productivity and from export income. Australia's national accounts, our Gross Domestic Product, benefits from the production from irrigated agriculture. Agriculture's supply chain is a significant contributor to Australia's GDP and export income. Sending fresh water to overwater forests and out to sea is both utterly wasteful and detrimental to Australia's economic growth.

The action by the Commonwealth complicit with State governments to use the Constitution's external affairs powers to take control of State water and to establish the Murray Darling Basin Authority has not been done well. While there is good logic in having one authority (in theory) managing Murray River water, what in fact is happening is that we now have too many government and government agencies (from NSW, Victoria and South Australia) talking with one another and having a say in decisions and without accountability.

Although the MDBA is enunciated (under Federal legislation) as the prime authority on Murray River water the States continue to have their own, vastly separate arrangements with hugely different impacts on irrigators in the different States. For example, it is understood that along the Murray in NSW some 10% of water is designated high security and 90% general security. In Victoria some 84% of irrigation water is designated high

reliability water and 16% low reliability water. This resulted in the 2018-19 drought period where in NSW there was a ZERO allocation of 90% of irrigation water but, across the river in Victoria there was a 100% allocation of 84% of irrigation water. In South Australia there was a 100% allocation of irrigation water. The history of water policy between the States is appreciated however, some harmonisation of water arrangements between States needs to be considered – in a drought it seems South Australia and Victoria need to share some of the pain.

Recommendations

1. A change of terminology by Water NSW in their documentation is recommended so that irrigated agriculture use is termed in future as “productive”, instead of “consumptive”. That better reflects the use of the water – “consumptive” should be restricted to where there is no product emanating from the use of the water eg in the case of urban and environmental use. Another change recommended is that in times of drought, in addition to water being made available to preserve permanent plantings, water should be made available to save registered seedstock also.
2. A study (in NSW in particular) is recommended of the long-term demand and supply situation for water, considering agricultural, environmental and urban needs against prospective future supplies taking account of reduced rainfall, climate impacts etc in the future. Question is, exactly how scarce will our water supplies be in future?
3. It is recommended governments (Federal and State) establish a National Water Infrastructure Fund. The Fund is recommended to help ‘drought proof’ the nation by offering government backed Sovereign Wealth Bonds to (retired) Australian residents at a good interest rate (say, bank bill swap rate + 3%) to enable the development of additional water storages so that more flood water may be captured for drought mitigation and irrigated agriculture. The demand for water continues to grow and must be matched by an increase in supply. The loss of flood waters in the end 2022 floods in the southern Basin was unacceptable, that’s just one example of water that should have been stored for future use.
4. It is recommended that the Federal and affected State Governments plan and implement the sourcing of excess northern water to the MDB. Currently, floods in Queensland are making their way south naturally – harnessing such flood water is an aspiration long held in some quarters. There has in the past, been plans for this eg Bradfield and these need to be re-addressed with modern technology and brought to fruition. Money spent by governments buying water under various mechanisms would be better used in developing a ‘north south water freeway’ so to speak.
5. A fundamental and independent review is recommended of the MDBP. The review is to be done in the context of a productive Australia, not a wasteful

Australia. (Note: If you put say, 1,000 MLS of water onto a dairy farm it can produce over one million dollars of product, if you put 1,000 MLS of water into a forest or out to sea, what does that produce? Note also, that the loss of irrigation water in this area returns highly productive land back to opportunity cropping and/or to running a merino wether (one DSE) to possibly two hectares, just like the pre-irrigation situation. Not good.) And the review must be done with a view to a future for irrigated agriculture in the Basin, not just a future for the environment and urban needs.

6. The review should address the multitude of authorities that have a say in decisions to do with water policy and water management in the MDB, with a special interest in Murray River management arrangements and, with view to 'streamlining' decision making.
7. A (separate) review is recommended of Departmental and government agency (Water NSW) regulations and processes. Regulations need to be 'user friendly', gaps addressed, anomalies overcome, and they need to be supportive of irrigated agriculture and the families and communities involved, with a view to a minimalist imposition on irrigated agriculture of government red tape, government and environmental costs and regulatory over-reach in general. This review's objective should be the re-establishment of an official culture supportive of irrigated agriculture.
8. Much improved water security arrangements for NSW general security holders are necessary. Zero allocations for two lots of two years post 2000, zero opening allocations in other years and allocation announcements too late for Spring watering in the case of irrigators from the Murray River has not engendered confidence and investment in moving irrigated agriculture ahead. It is recommended that policy options to improve water security be developed including - a. a ruling in regulations that when high security water achieves 100% allocation, general security gets a say, 5% allocation, b. a re-categorizing of water with general security holders given the option of moving a percentage of their entitlement to high security or, to a new priority category above general security but below high security. It is recommended also, that some harmonisation/re-ordering of allocations between States (NSW, Victoria and South Australia) be explored so that in dry years the disparity in allocations between States is less disastrous for NSW general security holders/irrigators.
9. It is recommended that the 'user pays' philosophies underlying water pricing in NSW be reviewed, considering that irrigators are subject to government/monopoly water suppliers (not subject to market forces and capable of unconscionable conduct as evidenced recently by their exorbitant pricing proposals to IPART), charging retail prices (with a yield to government) to an(irrigation) industry that must sell its produce at wholesale prices, and under varying seasonal conditions and into the vagaries of an often difficult (export)

market. In addition, competition reform as applies for example with grocery retailers cannot, by definition, apply in the case of a monopoly supplier. However, just as there is now a Grocery Code of Conduct which the major retailers are subject to, is it not unreasonable that there should be a Code of Conduct, a set of standards covering for example, the adequacy, quality and value of water supplies built into a Service Level Agreement (SLA) which Water NSW/WAMC should be party to with the irrigation community? A course of action in this regard (to establish an SLA) is recommended accordingly.

10. A review is recommended of local government planning and handling of water for urban use. Excessive Local Government allocations in some NSW council areas of as much as 2 MLS (of raw, high security water, which is additional to filtered water for house use) for each new house block (of around 800 square metres) developed, need to be stopped. Regular size house blocks do not need/cannot use that amount of water each year.
11. It is recommended that 'Drought Hub' expenditure be reviewed in the light of what could be achieved in the way of drought mitigation with a better government water policy, a policy aimed at water availability and a productive use of water. It has been said that if we got water policy right governments would not have to spend so much on drought hubs!
12. Accounting for environmental flows, conveyance water and associated losses is recommended for review with the objective of finding more water for irrigated agriculture. Should environmental water be permitted to carryover?
13. A special review of the environmental issues along the Murray River is (highly) recommended. It is long overdue for the authorities (are there too many?) to address the serious damage being caused by wakeboard and speed boats, by carp, by environmental (and badly managed) flood flows, by poor river and weir management causing bank slumping/ silt build ups, periods of low water levels etc. Clearing some of the excessive build up at the Barmah Choke also needs attention urgently.

If Inquiry members would like further information, please contact the writer as below.

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[REDACTED]